Manitoba

Annual Report 1990 - 91

Manitoba Farm Mediation Board

For the period ending March 31, 1991

Minister of
Agriculture

Room 165
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

To His Honour
George Johnson
Lieutenant-Governor for
the Province of Manitoba

Your Honour:

I have the honour to submit herewith the Report of the Manitoba Farm Mediation Board for the period April 1, 1990 to March 31, 1991.

Your obedient servant,

Glen Findlay

Glen M. Findlay
Minister

Manitoba

Manitoba Farm Mediation Board

600 – 491 Portage Avenue
Winnipeg, Manitoba, CANADA
R3B 2E4

Honourable Glen Findlay
Minister of Agriculture
165 Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

Dear Mr. Findlay:

In accordance with the provisions of the Family Farm Protection Act, I have the honour to forward to you The Annual Report of the Manitoba Farm Mediation Board for the fiscal year ending March 31, 1991.

Respectfully submitted,

W. E. Harrison

William E. Harrison
Chairperson
Manitoba Farm Mediation Board

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Chairperson's Remarks

The year 1990/91 was a challenging and encouraging year for the Manitoba Farm Mediation Board and its farm clients. It was a real challenge for the Board and its farm clients to react and respond in an appropriate manner to the many sweeping changes that are being implemented in Canadian Agriculture. The Board is encouraged by the positive results of its mediation activities that are evidenced by lower application rates, as well as an increasing ability by our guaranteed farm clients to make their payments. The processes and procedures used by the Board are being fine-tuned to ensure that this progress is maintained.

The Board is continuing to devote its efforts to fostering and maintaining a balanced and vibrant Manitoba Agriculture knowing that a healthy agriculture will greatly benefit all sectors of the provincial economy.

William E. Harrison
Chairperson
Manitoba Farm Mediation Board

Board Membership
(as at March 31, 1991)

Name		Address
William E. Harrison	Chairperson	Holmfield
Owen McAuley	Vice Chairperson	McAuley
Don Dewar	Member	Dauphin
Claudia Dumoulin	Member	Beausejour
Hugh Jameson	Member	Brandon
John Loewen	Member	Steinbach
Elsie Steinke	Member	Brunkild
Melvin Watt	Member	Reston
Glenn Young	Member	Cypress River

Objective

The objective of the Manitoba Farm Mediation Board (the Board) is to provide the administrative support required for the operational aspects of the Family Farm Protection Act.

Activity Identification

Through the Family Farm Protection Act, the Board assists farmers in protecting and sustaining their farming operations during the current difficult economic times.

Expected Results

The Manitoba Farm Mediation Board will continue to receive applications from lenders and farmers for assistance in reducing the farmers' financial difficulty.

Funding will be provided through Capital Expenditure Authority within the Loan Act and the Annual Appropriation to relieve the debt burden of certain producers who, in cooperation with lending institutions, agree on a viable farm plan.

The Manitoba Farm Mediation Board and the Courts will continue to review impending foreclosures and where possible, recommend alternative solutions.

Manitoba farmers or peer advisory panels will continue to play their role in the mediation process.

Introduction

During 1990/91 fiscal year, farm financial situations remained stressful for many indebted farmers. Agricultural conditions were still difficult and operating losses were once again imminent. Farmers and creditors continued the financial restructuring which they have deemed necessary for farm operations to survive and for farmers to pay their debts. The Manitoba Farm Mediation Board once again played a significant role in helping those troubled farmers maintain their farming operations through mediation with their respective creditors.

Background

The Family Farm Protection Act, which created the Board, was assented to by the Manitoba Legislative Assembly September 10, 1986. Parts I, II, VI, VII and VIII were proclaimed on December 15, 1986 and Part III on February 9, 1987. Parts IV and V were not proclaimed and ceased to have any force after October 1, 1989.

The Family Farm Protection Act is the basis for facilitating improved communication between creditors and farm debtors, ensuring that individual farmers receive fair and consistent treatment. Over the past year, creditors have realized the value of dealing with the Mediation Board in developing viable restructured financial packages. The process has developed to the mutual benefit of all concerned.

Part III: Applications for Leave

One of the Board's main functions is to become involved in foreclosure proceedings. Under Part III of the Act, a lender who intends to foreclose on farmland must make application to the Court of Queen's Bench. Copies of the application must be served upon the farmer and the Manitoba Farm Mediation Board.

After the Board has received its copy, it has up to 90 days to analyze the case, conduct a mediation panel meeting with the farmer and lender in the pursuit of achieving an alternative to foreclosure, and to prepare a report for the Court with copies sent to the farmer and the lender.

Part VI: Peer Advisory Panels

Under Part VI of the Act, a farmer or a creditor may apply to the Board to have a Peer Advisory Panel review the financial arrangements between the farmer and any or all of the creditors of the farmer. The purpose is to derive a settlement of the farmer's indebtedness or to arrange for payment to the creditors without mediation having to be initiated by legal proceedings.

Joint Operations

The established close-working relationship between the Board and the Federal Farm Debt Review Board is continuing. During this year, the Manitoba Farm Mediation Board received 219 applications and 97 of these were dealt with jointly by the two Boards. This has resulted in reducing the stress on the farm family in financial difficulty by dealing with the case once. At the same time, by sharing Farm Financial Advisors and streamlining the hearing process, a substantial cost saving has been realized. This harmonization process will continue in 1991/92.

Application Activities

A total of 975 Manitoba Farmers have been through the mediation process since inception. Tables 1 and 2 provide details on the 1990/91 applications and compare the number of clients to the total number of farmers by the regions.

Table 1
1990/91 Applications

	Part III	Part VI	Total
CARRY OVER FROM 1989/90	88	88	176
APPLICATIONS RECEIVED	120	99	219
TOTAL FOR PROCESSING	208	187	395
APPLICATIONS COMPLETED:			
Settlement Achieved	106	88	194
MEDIATION NOT DESIRED:			
a) Waivers Signed	3	0	3
b) Withdrawn Applications	3	1	4
c) Deferred Applications	0	2	2
SETTLEMENT NOT ACHIEVED:	41	9	50
PART VI TRANSFERRED TO PART III	0	15	15
TOTAL COMPLETED	153	115	268
MEDIATION IN PROGRESS	55	72	127
COURT REPORTS SUBMITTED	163		

Agreements Registered

During the fiscal year under review, three agreements were registered under Section 30 (1) of the Act.

Chart 1

Applications Received by Months

1989/90 and 1990/91 compared

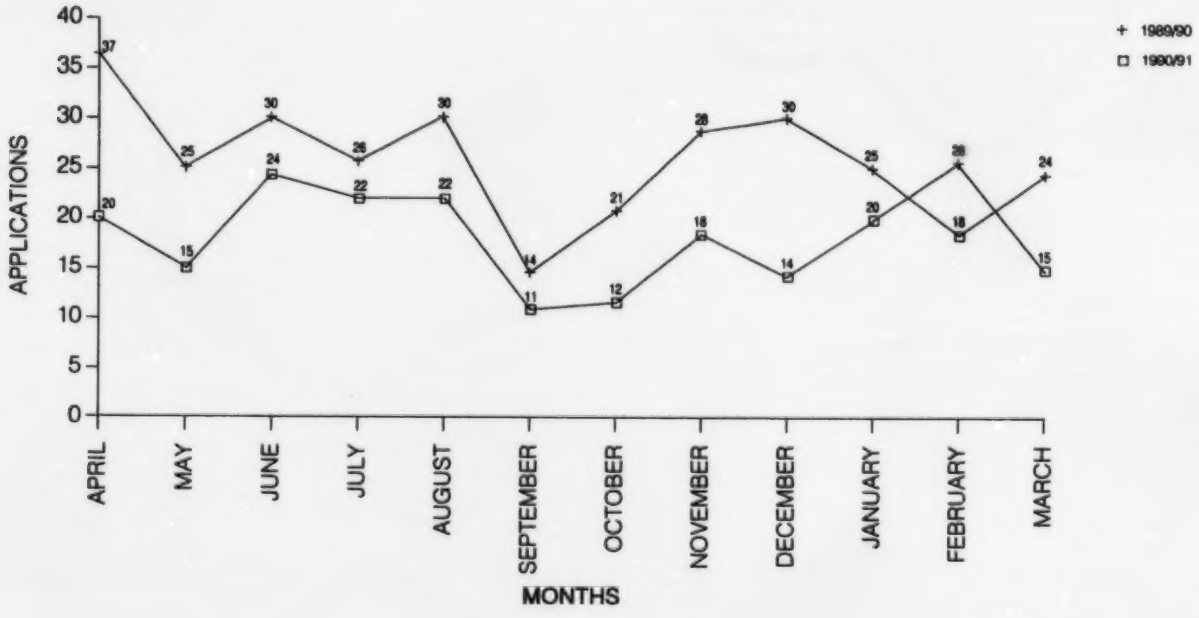

Table 2

Farmer Clients by Regions

Region	# of Farmers In Region*	Board Clients	Percent
Central	7,058	232	3.2
Eastern	3,910	91	2.3
Interlake	4,202	129	3.0
Northwest	5,008	220	4.3
Southwest	7,158	303	4.2
TOTAL	27,336	975	3.5

* Based on 1986 Census of Agriculture

Special Assistance Programs

In order to facilitate the establishment of financial agreements between farmers and their creditors, a special fund has been created by the Government of Manitoba. This fund is available through five different programs listed below:

Program 1 — Guarantee of Loan Payments.

Program 2 — Guarantee of Lease Payments.

Program 3 — Guarantee of Security.

Program 1/3 — Combination of Program 1 and Program 3.

Program 4 — Operating assistance during mediation for the above Program(s) entry.

During the 1990/91 fiscal year, the Manitoba Farm Mediation Board has guarantees in place for 57 new farmer clients for a total sum of $2,024,005.00 as shown in Table 3 below.

Table 3

Guarantee Approvals Provided in 1990/91

Year	Programs 1	2	3	3/1	4	Total
1	299,031	75,490	00	50,000	0	424,521
2	299,031	79,990	00	53,000	0	432,021
3	299,031	74,790	00	53,000	0	426,821
4	273,331	45,740	00	60,000	0	379,071
5	273,331	28,240	00	60,000	0	361,571
Total	1,443,755	304,250	00	276,000	0	2,024,005

Annual Review of Guarantee

During the year, 191 guarantees from previous years were reviewed as required by the program guarantee guidelines. Through the mediation process, and as a result of financial restructuring, 113 of these clients were able to meet their financial obligations without calling on the government's guarantee. In 78 cases, the province was required to make partial or full payment of the matured guarantee provided. Payments made during the year totalled $505,155 which is 26.93% of the year's potential amount payable of $1,876,143.

A detailed financial analysis was carried out on all cases under the guarantee programs. This process also included assisting the client in the development and follow through on an established financial management record system. During the year, 11 farmers requested that their respective guarantees be cancelled as they were no longer required and in 31 cases, guarantees were cancelled by the Board where individual farmers violated their respective contract agreements.

Chart 2

Matured Guarantees and Payments

1989/90 and 1990/91 compared ($000)